

ENGINEER'S REPORT

Prepared for the

CITY OF SAN DIEGO

**First San Diego River Improvement Project
Maintenance Assessment District**

Annual Update for Fiscal Year 2004

under the provisions of the

**San Diego Maintenance Assessment District Ordinance
of the San Diego Municipal Code**

and

**Landscape and Lighting Act of 1972
of the California Streets and Highways Code**

Prepared by

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May 2003

CITY OF SAN DIEGO

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City Clerk

Charles G. Abdelnour

City Engineer

Frank Belock

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Engineer's Report

First San Diego River Improvement Project

Maintenance Assessment District

Preamble

Pursuant to the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscape and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"), in connection with the proceedings for the FIRST SAN DIEGO RIVER IMPROVEMENT PROJECT MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as "District"), BOYLE ENGINEERING CORPORATION, as Assessment Engineer to the City of San Diego for these proceedings, submits herewith this report for the District as required by California Streets and Highways Code Section 22565.

FINAL APPROVAL, BY RESOLUTION NO. _____ ,
ADOPTED BY THE CITY COUNCIL OF THE CITY OF SAN
DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, ON THE
_____ DAY OF _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

Executive Summary

Project: First San Diego River Improvement Project
Maintenance Assessment District

Apportionment Method: Equivalent Benefit Area (EBA)

	FY 2003	FY 2004 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Total Parcels Assessed:	1,442	1,442	--
Total Estimated Assessment:	\$169,383	\$176,074	--
Total Number of EBAs:			--
<i>Aesthetics Zone 1</i>	93.69	93.69	--
<i>Aesthetics Zone 2</i>	183.06	183.06	
<i>Flood Control</i>	19.12	19.12	--
Assessment Per EBA:			
<i>Aesthetics Zone 1</i>	\$457.25	\$475.31 ⁽³⁾	\$475.31 ⁽³⁾
<i>Aesthetics Zone 2</i>	\$228.62	\$237.65 ⁽³⁾	\$237.65 ⁽³⁾
<i>Flood Control</i>	\$4,429.25	\$4,604.21 ⁽³⁾	\$4,604.21 ⁽³⁾

⁽¹⁾ FY 2004 is the City's Fiscal Year 2004, which begins July 1, 2003 and ends June 30, 2004. Total Parcels Assessed, Total Estimated Assessment, and Total Number of EBAs may vary from prior fiscal year values due to parcel changes and/or land use re-classifications.

⁽²⁾ Maximum Authorized annual amounts subject to cost indexing provisions set forth in this Engineers Report.

⁽³⁾ Fiscal Year 2003 maximum authorized annual assessment increased by cost indexing factor of 3.95%.

Proposition 218 Compliance: The District was re-engineered in Fiscal Year 1999 for compliance with Proposition 218. By a ballot proceeding, majority property owners (90.8% of the weighted vote) approved Fiscal Year 1999 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost indexing.

Reserve Fund: The reserve fund is designated for future river dredging operations. Dredging costs could potentially exceed \$1 million.

Annual Cost Indexing: An increase of assessments, under authority of annual cost indexing provisions, is required for Fiscal Year 2004.

Bonds: No bonds will be issued in connection with this District.

Background

The First San Diego River Improvement Project (FSDRIP), completed in 1988 by others, involved the realignment of the San Diego River by the construction of an earthen flood channel, eight river islands within the channel, and a buffer zone running along and adjacent to the channel embankments. Improvements also constructed by the project include: pedestrian and bike paths, picnic tables, benches and trash receptacles located within both the buffer zone and traversing along the side slopes of the channel embankments. An improvement assessment district was formed and bonds sold to fund construction of the project.

Revegetation, establishment, and perpetual maintenance of the vegetation along the new earthen channel and islands are critical for the channel to function properly. The vegetation reduces water velocities and controls erosion of the earthen embankments and islands. The perpetual maintenance of the vegetation is a requirement of project permits granted by the Army Corps of Engineers and the California Department of Fish and Game.

The First San Diego River Improvement Project Maintenance Assessment District (District) was established in June 1987. The District has funded the maintenance of landscaping along the channel, islands, and buffer zones, which traverse from Qualcomm Way to State Route 163. The District has also monitored silting conditions and established a reserve fund designated for channel dredging in the event of excess silting of the channel bottom.

The District is located in Mission Valley in an area bounded by Friars Road to the north, Interstate Highway 8 to the south, Qualcomm Way to the east, and State Route 163 to the west. The District contains approximately 311 total acres. The purpose of the District is to provide for the maintenance of the San Diego River flood control channel, eight islands, the buffer zone and the vegetation associated with these areas, all within the boundary of the District. Maintenance elements also include: pedestrian and bike paths, drip and overhead irrigation systems, picnic tables, benches and trash receptacles.

In 1999, the City of San Diego (City) retained Boyle Engineering Corporation (Boyle) to prepare an Engineer's Report for the re-engineering of the District. The report proposed renaming the District, establishing a new District boundary, re-apportioning assessments

based on a new method of apportionment, and providing for future cost indexing of total costs and assessments. By a mail ballot proceeding, property owners approved the re-engineering with 90.8% of weighted votes supporting the proposed assessments.

The Engineer's Report, preliminarily accepted by Resolution Number R-290157 on May 29, 1998, proposed Fiscal Year 1999 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost indexing of the maximum authorized assessments.

District Proceedings for Fiscal Year 2004

This District is authorized and administered under the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscape and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"). This report has been prepared in compliance with Assessment Law.

The purpose of the proposed proceedings and this Engineer's Report is to update the District budget and assessments for Fiscal Year 2004. The Fiscal Year 2004 assessments proposed within this Engineer's Report represent a 3.95% increase over the previous year's assessments. This increase is under the authority of annual cost indexing provisions approved by property owners. Therefore, the vote requirements of Section 4 of Article XIID do not apply to these proceedings.

A public hearing will be scheduled where public testimony will be heard by the Council, and the Council may, at its discretion, adopt a resolution ordering the levying of the proposed assessments.

Bond Declaration

No bonds will be issued in connection with this District.

District Boundary

The Boundary Map & Assessment Diagram for the District are on file

in the Maintenance Assessment Districts section of the Park and Recreation Department of the City of San Diego and by reference are made a part of this report. The Boundary Map and Assessment Diagram for the District are available for public inspection during normal business hours. A reduced copy of the Boundary Map is included as Exhibit A.

Project Description

The project to be funded by the assessments includes maintenance of the following:

River Channel

- ◆ Dredging of the river bottom to be conducted every 5 years or as necessary to maintain the flow capacity of the river.
- ◆ Revegetation and wildlife monitoring and reporting as required by State and Federal permits issued in conjunction with the FSDRIP project.
- ◆ General landscape maintenance, monitoring and revegetation as necessary.
- ◆ Maintenance and repair of the irrigation system as necessary.
- ◆ Trash and debris clean up.
- ◆ Restoration work in the event of embankment erosion effecting the channel, the river islands or the buffer zone.

Buffer Zone

- ◆ General landscape maintenance, monitoring and revegetation as necessary.
- ◆ Maintenance and repair of the irrigation system as necessary.
- ◆ Trash and debris clean up.
- ◆ Maintenance of picnic tables, benches and trash receptacles as needed.

The approximate locations of the improvements to be maintained by the District are depicted in Exhibit A.

FSDRIP was studied, designed and completed by others independent of the formation of the District. The engineering drawings for the improvements to be maintained by the District are on file at Map Records in the City Engineer's office and are incorporated herein by reference. The specifications for the maintenance to be performed are contained in the City Contract which is incorporated herein by

reference and are on file with the City Clerk and the Parks and Recreation Department.

Separation of General and Special Benefits

The City makes no contribution to the District. All maintenance, operation, and administrative costs that are funded by the District are considered "special benefit". The City does not provide similar services to the public at large as "general benefit."

Cost Estimate

Estimated Costs

Estimated Fiscal Year 2004 annual expenses, revenues, reserves, and assessments (provided by the City) are included as Exhibit B hereto.

Dredging Reserve Fund

It is anticipated that dredging of the channel bottom will be necessary every five to ten years, or possibly in response to a significant flood event. Prior to Fiscal Year 1999, funds for anticipated dredging operations were collected on an annual basis and set aside in reserve until needed. In Fiscal Year 1999, property owners within the District voted to suspend annual replenishment of the Dredging Reserve Fund, until such time as the current fund is depleted (or upon determination of insufficiency of the fund balance). At such time as the depletion of the reserve fund (or upon determination of insufficiency of the fund balance), an increase of assessments would be required to replenish or increase the Dredging Reserve Fund. Under current Assessment Law, this action would require ballot approval of the property owners assessed for Flood Control/Safety special benefit as defined in subsequent sections of this report. In such event, it is the current desire of the District advisory committee that costs associated with dredging, monitoring of silt conditions, and maintenance of appurtenant drainage facilities be allocated in the manner described herein for the Flood Control/Safety component of the current assessments.

Dredging costs have been included as a contingent expense item in the estimated budget for Fiscal Year 2004. In the event that dredging costs are not required for Fiscal Year 2004, such funds will be carried forward to next year for the same purpose. If, at some point in time, the District advisory committee and City determine to reimburse the Dredging Reserve Fund to property owners, the previous method(s) of

apportionment (not the method of apportionment defined in this report) should be applied to reimbursement of the current balance.

Annual Cost Indexing

With the passage of Proposition 218, any proposed increase in assessments must be placed for approval before the property owners by a mail ballot and a public hearing process, similar to these proceedings. A majority of ballots received must be affirmative for the City Council to confirm and levy the increased assessments. For small assessment districts or districts with relatively low dollar assessments, the cost of an engineer's report, balloting, and the public hearing process can potentially exceed the total cost of the increase. These incidental costs of the proceedings can be added to the assessments, resulting in even higher assessments.

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U), as approved by the District property owners in Fiscal Year 1999, allows for minor increases for normal maintenance and operating cost escalation without incurring the costs of the Proposition 218 ballot proceedings. Any significant change in the assessment initiated by an increase in service provided or other significant changes to the District would still require the Proposition 218 proceedings and property owner approval.

The maximum authorized assessment established in the Fiscal Year 1999 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. Fiscal Year 2000 was the first year authorized for such indexing. It has been determined that an increase as authorized by the cost indexing provisions, is required for Fiscal Year 2004.

Method of Apportionment

Estimated Benefit of Improvements

The Open Space section of the City's Mission Valley Community Plan and the general Market Objectives section of the First San Diego River Improvement Project Specific Plan establish several goals for the San Diego River system. The improvements are to enhance Mission Valley as a regional commercial center as well as attract residential development. It is intended that the variety of mixed uses will not only attract current San Diego residents to Mission Valley, but visitors and

companies from across the country. Enhancement of the river system being maintained by this District is consistent with the plans' goals for flood safety, pleasing aesthetics, and enhancement/preservation of the natural habitat and resources provided by the San Diego River.

Mission Valley (Valley) is primarily an urbanized commercial center with varying mixed uses including high-density residential uses. The San Diego River is the most prominent open space element in the Valley and is a significant aesthetic and economic asset to the community. It provides visual and physical relief from the intensifying urbanization of the Valley. As a linear green space, the river corridor unifies the community, accentuating the natural setting of the Valley. The river also provides opportunity for recreational uses. With the limited number of parks in this area, the linear pathways, benches, picnic tables, and other improvements constructed and maintained by FSDRIP, provide the community its most significant public recreational area.

Construction of FSDRIP flood control channel improvements has benefited specific parcels by controlling flooding and reducing the floodway width, which has generated additional land area outside the floodway and above the 100-year flood plain. These new land areas are now suitable for development. Existing developed lands subjected to potential flooding by a certain potential frequency of flood have experienced a reduction in the potential frequency of flooding. The lands benefiting from improvement of the flood control channel was determined by review of engineering flood maps. These maps were also used to determine the varying levels of benefit received by review of the various classifications of flood zones. Those parcels within the District that are not subject to potential flooding do not benefit from the flood control/safety aspect of the improvements maintained by the District.

The project and subsequent maintenance have also provided a walking/jogging/biking trail, picnic tables, park benches, enhanced open space, an enhanced linear view corridor, and enhancement/preservation of the river's natural habitat and resources. The trails are a significant component of the Valley's pedestrian circulation system and recreational system. These improvements are not essential to the functionality of a flood control channel. These improvements are amenities that provide pleasing aesthetics, community recreational uses and an enhanced community identity to a greater area than the area benefiting from just flood protection. The greater area benefiting from these District activities has been limited to the Community Plan

Development Intensity Districts G and those portions of District H and I lying westerly of Qualcomm Way. Major transportation corridors divide the Valley into several districts. The major transportation corridors I-8, SR-163, and Friars Road along with the easterly limit of FSDRIP, Qualcomm Way, provide the boundary of this greater area of benefit.

In conclusion, there are two distinct sets of benefits and two distinct sets of parcels which have distinct special benefits conferred upon them. All parcels within the District benefit from the aesthetic enhancement, natural resource preservation, and recreational use of the San Diego River system and the enhanced community image provided by the improvements maintained by the District. A sub-set of parcels within the District boundary receives flood control benefits.

Apportionment Methodology

As previously stated, special benefit received from the maintenance of the FSDRIP improvements is comprised of two components.

Flood Control/Safety – By containing the 100-year frequency flood levels and bettering other flood zones the FSDRIP channel provides greater public safety, has reduced the economic damage associated with flooding, and has allowed additional development to occur in areas previously restricted from any economic benefit. Maintenance of the river channel and vegetation insure the integrity of the system.

Community Aesthetics – The linear, river open space provides both a physical and visual relief from the existing urban development, preservation/enhancement of natural habitat and resources, new opportunities for recreational uses, and enhancement of the community's aesthetic and image.

The total cost for maintenance of the improvements funded by the District will be assessed to the various parcels in proportion to the sum of the special benefit assessment for Flood Control/Safety and the special benefit assessment for Community Aesthetics Enhancement as shown in the following equation:

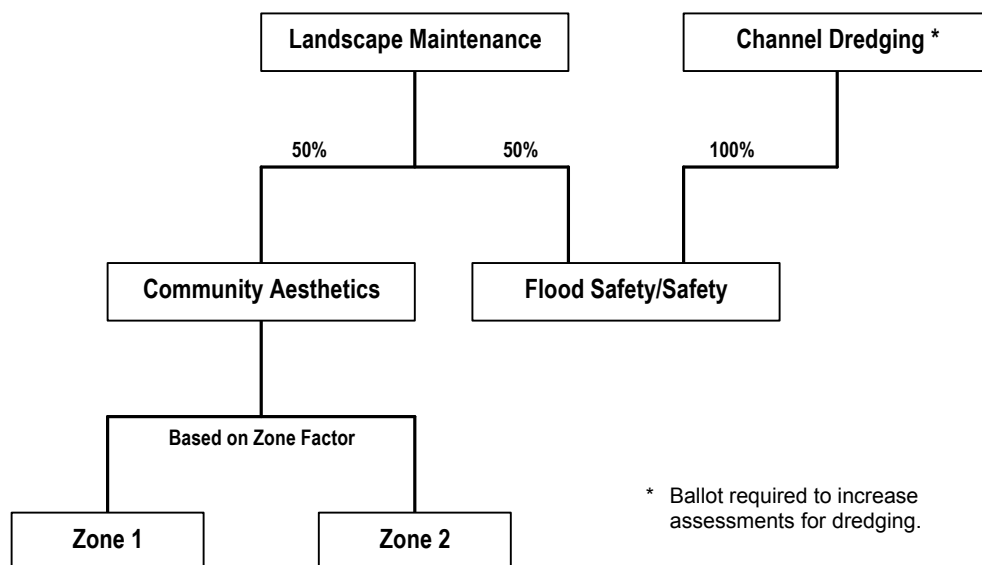
Total Assessment = Flood Control/Safety Assessment + Community Aesthetics Enhancement Assessment
--

Allocation of Costs

All costs associated with dredging, monitoring of silt conditions, and maintenance of appurtenant drainage facilities shall be allocated to the Flood Control/Safety component of assessments. Zero dollars (\$0) from the proposed FY 2004 assessments are allocated for these functions. All dredging, monitoring of silt conditions, and maintenance of appurtenant drainage facilities activities in FY 2004 shall be funded from the Dredging Reserve Fund.

Costs associated with maintenance of the landscaping/vegetation are associated with both the Flood Control/Safety component and the Community Aesthetics Enhancement component. Maintenance of the vegetation is essential to the proper function of the flood channel and fulfillment of the project's permit/mitigation requirements. The same landscaping/vegetation is the key element to the enhancement of the community aesthetics and natural habitat/resource preservation. Areas specific to one functional component cannot be separated from areas specific to the other functional component through engineering analysis. Both components benefit mutually from the maintenance of all landscaping/vegetation maintained by the District. Therefore, costs associated with maintenance of the landscaping/vegetation have been allocated fifty percent (50%) to the Flood Control/Safety component and fifty percent (50%) to the Community Aesthetics component. Figure 1 illustrates the allocation of District costs.

FIGURE 1: Cost Allocation



Land Use

All parcels within the District have been assigned a land use/zoning classifications. Table 1 lists the various land use/zoning classifications and illustrates those that receive special benefit from the improvements and those land uses that have been determined to not received benefit from the improvements.

TABLE 1: Land Use Classifications and Codes

Land Use/Zoning	Code	Special Benefit Received
Residential – Condominium	CND	As described below
Residential – Multi-Family & Apartment	MFR	As described below
Commercial – Office & Retail	COM	As described below
Industrial & Institutional	IND	As described below
Street/Roadway	STR	None
Undevelopable	UND	None

Residential – Condominium

Condominium parcels have been segregated by condominium development. The aggregate area of each development has been divided by the total number of condominiums within the development. Each condominium has been assigned an average parcel area, which is common for each condominium for each development.

Street/Roadway

While those traveling streets and roadways enjoy the improvements maintained by the District during their travel, the actual benefit of this enjoyment does not accrue to the land underlying the streets and roads. Accordingly, the Street/Roadway category receives no benefit and has been assigned a Land Use Factor of zero.

The Metropolitan Transit Development Board's (MTDB) Light Rail Vehicle right-of-way is considered a public right-of-way similar to public streets and has been determined to not receive benefit. These areas held in easement by MTDB have been removed from a parcel's total area for assessment calculations.

Undevelopable

Areas classified undevelopable are areas of a parcel with the floodway area and have been removed from a parcels total area for an assessment calculation.

Flood Control/Safety Apportionment Method

The Flood Control/Safety assessment is a function of the portion(s) of a parcel's area (or condominium unit area discussed later) enhanced by a change(s) of flood zone classification (termed Special Benefit Area) multiplied by an assigned Benefit Factor. As some parcels include portions that differ in change of flood zone classification and/or have a combination of areas with flood zone changes, for each affected parcel a Composite Benefit Factor is calculated as the area-weighted average of the Benefit Factor for all flood zone classification areas of change. The Special Benefit Area is multiplied by the Composite Benefit Factor to determine the Flood Control/Safety Equivalent Benefit Area (EBAs) of a parcel. A parcel's total EBAs is multiplied by a Unit Cost, which is each EBAs proportional share of costs allocated to Flood Control/Safety in relation to all EBAs within the District. The result is the parcel's Flood Control/Safety assessment. Calculation of the Flood Control/Safety assessment is depicted in the following equations:

$$\begin{array}{c} \text{Flood Control/Safety Assessment} \\ = \\ \text{Flood Control/Safety Equivalent Benefit Area (EBA) x Unit Cost} \end{array}$$

$$\begin{array}{c} \text{Unit Cost} \\ = \\ \text{Total Flood Control/Safety Cost Allocation} \\ \div \\ \text{Total Flood Control/Safety Equivalent Benefit Area} \end{array}$$

$$\begin{array}{c} \text{Flood Control/Safety Equivalent Benefit Area (EBA)} \\ = \\ \text{Special Benefit Area x Composite Benefit Factor} \end{array}$$

$$\begin{array}{c} \text{Composite Benefit Factor} \\ = \\ \text{Benefit Factor}_1 \times (\text{Benefit Area}_1 \div (\text{Benefit Area}_1 + \text{Benefit Area}_2)) \\ + \\ \text{Benefit Factor}_2 \times (\text{Benefit Area}_2 \div (\text{Benefit Area}_1 + \text{Benefit Area}_2)) \\ + \\ \text{etc.} \end{array}$$

Flood Control/Safety Special Benefit Area

The special benefit realized by a parcel, in the Flood Control/Safety component, is the enhancement of a given area's flood zone classification. An enhancement of flood zone classification can increase the safety and economic use of an area. Identification of such areas has been determined through the use of the Flood Insurance Rate Maps (FIRM) prepared by the Federal Emergency Management Agency.

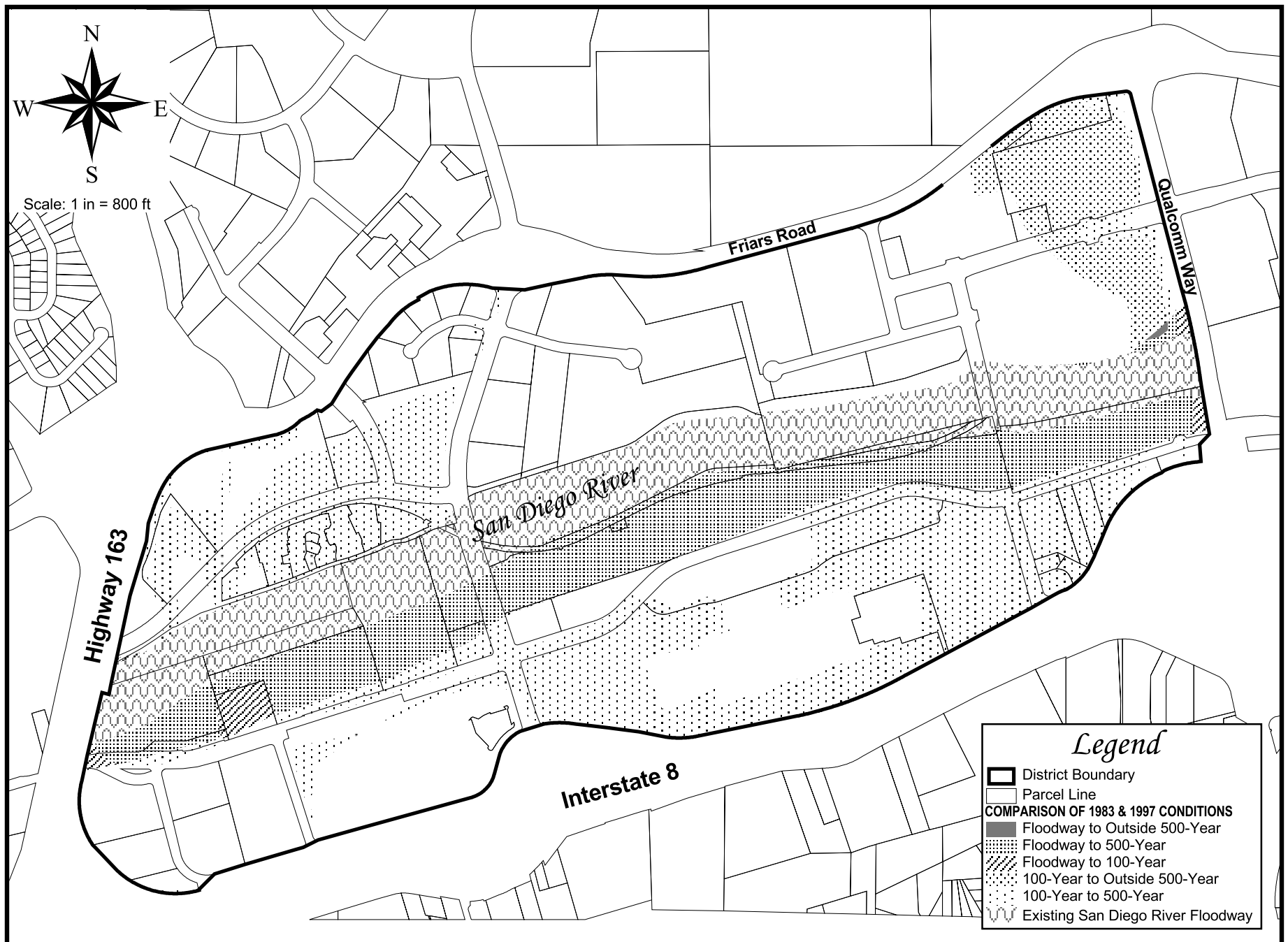
The 1983 FIRM map shows the various flood zone boundaries in a pre-FSDRIP condition. The 1997 FIRM map reflects the changes to the flood zone boundaries between Qualcomm Way and SR-163 as a result of the construction of FSDRIP improvements. Combining (intersecting) the two maps illustrates the areas which experienced a change/enhancement in flood zone classification and received the resulting Flood Control/Safety special benefit. These areas are shown in Figure 2.

Composite Benefit Factor

The Composite Benefit Factor is the weighted average of a parcel's Benefit Factors times the Special Benefit Area. Table 2 details the effect of a flood zone classification, the benefits changes/enhancement in flood zone classification, and the Benefit Factors assigned to each change in flood zone classification. The Benefit Factors assigned estimate the proportional economic and safety benefit from a change in flood zone classification, relative to other such changes.

The four basic flood zone classifications within the District are the Floodway Zone, 100-year Flood Zone, 500-year Flood Zone, and Outside the 500-year Flood Zone. As a result of improvements to the San Diego River through FSDRIP, zone classifications of various parcels within the District have changed. Zone classification changes have been given a rating that is based upon the magnitude of benefit realized.

The maximum achievable degree of benefit, from the Floodway Zone to Outside the 500-year Flood Zone, is assigned a relative benefit value of 100. Property that was within the Floodway and is now classified to be within the 100-year Flood Zone is given a relative benefit value of 75. A zone classification change from the



First San Diego River Improvement Project Flood Control & Landscape Maintenance District
FLOOD CONTROL/SAFETY BENEFIT AREAS

FIGURE 2

100-year to the 500-year is given a relative benefit value of 20 and from the 500-year Zone to Outside 500-year is given a relative benefit value of 5. A portion of property that has changed from the Floodway to the 500-year Zone is given a relative benefit value of 75 plus 20, or 95.

There are five possible combinations of Flood Zone classification changes (as shown in Table 2) with the sum of total relative benefit values of 315. Each Flood Control/Safety Benefit Factor is calculated as the ratio of relative benefit divided by 315. With respect to the preceding example above, 95 divided by 315 equals a Benefit Factor of 0.30. Table 2 details the effect of the varying flood zone classifications on an area and the magnitude of benefit for moving from one zone to another.

TABLE 2: Flood Control/Safety Benefit Factors

Within Floodway	Within 100-Year Flood Zone	Within 500-Year Flood Zone	Outside 500-Year Flood Zone
<ul style="list-style-type: none">• No Economic Benefit from Land• Restricted from Development	<ul style="list-style-type: none">• Can Develop with Certain Restrictions – Building Above 100-Year Level• Remainder of Parcel Subject to Flooding• Flood Insurance Required to Finance	<ul style="list-style-type: none">• No Flood Related Building Restrictions• Lesser Potential for Flooding• Flood Insurance not Required to Finance	<ul style="list-style-type: none">• Negligible Risk of Flooding• No Flood Related Restrictions

Benefit Factor		Total	
0.32		100	
0.30		95	
0.24		75	
0.08		25	
0.06		20	
1.00	TOTAL	TOTAL	315

The following is a sample parcel calculation, which illustrates the operation of these factors and formulas.

Sample Flood Control/Safety Assessment Calculation

The District includes a 3.25 acre parcel called XYZ that has partially benefited from the Flood Control/Safety improvements made to the San Diego River. A portion of XYZ (0.76 acres) was within the floodway, and as a result of FSDRIP, has moved to the 500-year flood zone. Another portion of XYZ (0.21 acres) has realized the benefit of moving from the floodway to the 100-year flood zone. The remainder of parcel XYZ (2.28 acres) realizes no change in benefit from the improvements, and is not included in the Flood Control/Safety benefit area calculation. The following sample calculation demonstrates the methodology used to determine the total Flood Control/Safety assessment for parcel XYZ:

<i>Total Parcel Area:</i>	3.25 ac.
<i>Benefit Area (floodway to the 500-yr. flood plain):</i>	0.76 ac.
<i>Corresponding Benefit Factor (from Table 2):</i>	0.30
<i>Benefit Area (floodway to the 100-yr. flood plain):</i>	0.21 ac.
<i>Corresponding Benefit Factor (from Table 2):</i>	0.24
<i>Total Flood Control/Safety EBAs for District:</i>	19.1215 ac.
<i>Total Flood Control/Safety Cost Allocation:</i>	\$84,694
<i>Composite Benefit Factor:</i>	
$= ((0.30 \times 0.76) \div (0.76 + 0.21)) + ((0.24 \times 0.21) \div (0.76 + 0.21)) = 0.2870$	
<i>Flood Control/Safety Equivalent Benefit Area:</i>	
$= 0.2870 \times (0.76 + 0.21) = 0.2784$	
<i>Flood Control/Safety Unit Cost:</i>	
$= \$84,694 \div 19.1215 = \$4,429.25$	
<i>Flood Control/Safety Assessment:</i>	
$= 0.2784 \times \$4,429.25 = \$1,233.10$	

Community Aesthetics Apportionment Method

The Community Aesthetics Enhancement assessment is a function of the parcel area (or condominium unit area discussed later) multiplied

by a Zone Factor establishing the Equivalent Benefit Area (EBA) of a parcel. A parcel's total EBA is multiplied by a Unit Cost, which is each EBAs proportional share of allocated costs to all EBAs within the District. The result is the parcel's Community Aesthetics Enhancement assessment. The Community Aesthetics Enhancement assessment is depicted in the following equations:

$$\begin{array}{c} \text{Community Aesthetics Enhancement Assessment} \\ = \\ \text{Equivalent Benefit Area (EBA) x Unit Cost} \end{array}$$

$$\begin{array}{c} \text{Equivalent Benefit Area (EBA)} \\ = \\ \text{Parcel Area x Zone Factor} \end{array}$$

$$\begin{array}{c} \text{Unit Cost} \\ = \\ \frac{\text{Total Community Aesthetics Enhancement Cost Allocation}}{\text{Total Community Aesthetics Equivalent Benefit Area}} \end{array}$$

Zone Factor

The Zone Factor as developed for use in the Community Aesthetics Enhancement component of the assessment is dependent upon the proximity of the property with respect to the FSDRIP green belt and pedestrian walkways. Those parcels separated from FSDRIP by major and collector streets are determined to receive lesser benefit than those parcel interior to the nearest major or collector streets. Exhibit A shows the location of the zone boundaries in relationship to the District boundary and all parcels within the District. Zone 1 is estimated to receive twice the benefit of Zone 2.

Zone 1 is defined as those parcels that are between FSDRIP and Camino de la Reina on the south and Hazard Center Drive, Mission Center Court, Station Village Inn and Rio San Diego Drive on the north.

Zone 2 is defined as those parcels between Friars Road in the north and the Zone 1 boundary and Interstate 8 in the south and the Zone 1 boundary.

Summary Results

The District Boundary is presented in Exhibit A.

An estimate of the costs of the improvements provided by the District is included as Exhibit B to this report.

The assessment methodology utilized is as described in the text of this report. Based on this methodology, Fiscal Year 2004 District assessments for each parcel were calculated and are shown in the Assessment Roll (Exhibit C).

Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number on the Assessment Roll and the Boundary Map and Assessment Diagram referenced herein. The net assessment for each parcel for Fiscal Year 2004 can be found on the Assessment Roll.

This report has been prepared and respectfully submitted by:

BOYLE ENGINEERING CORPORATION

Eugene F. Shank, PE C 52792

Alex Bucher, EIT CA 112628

I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the Assessment as shown on the Assessment Roll, together with the Assessment Diagram, both of which are incorporated into this report, were filed in my office on the _____ day of _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

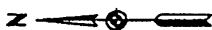
I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the assessment diagram incorporated into this report, was approved and confirmed by the CITY COUNCIL of said City on the _____ day of _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

I, _____, as SUPERINTENDENT OF STREETS of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the assessment diagram was recorded in my office on the _____ day of _____, 2003.

SUPERINTENDENT OF STREETS
CITY OF SAN DIEGO
STATE OF CALIFORNIA

EXHIBIT A



SCALE: 1"=600'



BOUNDARY MAP

EXHIBIT A

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN DIEGO, STATE OF CALIFORNIA, THIS ____ DAY OF ____, 1998.

CHARLES G. ABDELNOUR, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE FIRST SAN DIEGO RIVER IMPROVEMENT PROJECT FLOOD CONTROL AND LANDSCAPE MAINTENANCE DISTRICT, CITY OF SAN DIEGO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF ____, 1998, BY ITS RESOLUTION NO. ____.

CHARLES G. ABDELNOUR, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL OF THE CITY OF SAN DIEGO ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. SAID ASSESSMENT WAS LEVIED ON THE ____ DAY OF ____, 1998; SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY OF SAN DIEGO, STATE OF CALIFORNIA ON THE ____ DAY OF ____, 1998. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

NOTE:
FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF LOTS OR PARCELS SHOWN ON THIS MAP, REFER TO THE COUNTY ASSESSOR'S MAPS WHICH SHALL GOVERN WITH RESPECT TO ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

LEGEND:

- DISTRICT BOUNDARY
- - - ZONE BOUNDARY
- PARCEL LINES
- 32 DIAGRAM NUMBER
- ▨ LOCATION OF IMPROVEMENTS



CITY OF
SAN DIEGO

FIRST SAN DIEGO RIVER IMPROVEMENT PROJECT FLOOD CONTROL AND LANDSCAPE MAINTENANCE DISTRICT

W.O. DATE: REVISIONS:

EXHIBIT A

EXHIBIT B

Maintenance Assessment Districts

First San Diego River Improvement Project

Council District: 6

Fund: 70240

First San Diego River Improvement Project Maintenance Assessment District			
	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 PROPOSED
Positions	0.65	0.65	0.65
Personnel Expense	\$ 27,015	\$ 50,263	\$ 51,115
Non-Personnel Expense	124,548	698,874	737,477
TOTAL	\$ 151,563	\$ 749,137	\$ 788,592

The First San Diego River Improvement Project Maintenance Assessment District (District) was established in 1987 to provide maintenance for the San Diego River earthen flood control channel, eight river islands inside the channel zone, and an approximately 20 foot wide buffer zone running along and adjacent to the channel embankments. District maintenance activities include dredging to maintain the flow capacity of the river; revegetation; wildlife monitoring and reporting; native plant and landscape maintenance; restoration of embankment erosion; and trash removal.

By ballot in 1998, the property owners capped their savings for a dredging reserve at \$434,000, reduced their assessments, and began using excess accumulated reserves and the Flood Control portion of their assessment for other approved District purposes. The Fiscal Year 2004 Proposed Budget was approved by the First San Diego River Improvement Project Maintenance Assessment District Committee on March 5, 2003. The Committee plans to address the District's dredging issues in the future.

FIRST SAN DIEGO RIVER IMPROVEMENT PROJECT	FY 2003 ESTIMATE	FY 2004 PROPOSED
BALANCE	\$ 604,350	\$ 589,215
Revenue		
Assessments	\$ 169,938	\$ 176,074
Interest	27,000	23,303
TOTAL OPERATING REVENUE	\$ 196,938	\$ 199,377
TOTAL REVENUE AND BALANCE	\$ 801,288	\$ 788,592
Expense		
Personnel ⁽¹⁾	\$ 36,660	\$ 51,115
Contractual	94,000	102,900
Dredging Expense	-	434,000
Incidental	47,293	103,324
Utilities	34,120	47,910
Contingency Reserve	-	49,343
TOTAL EXPENSE	\$ 212,073	\$ 788,592
BALANCE	\$ 589,215	\$ -
Assessment per EBA: ⁽²⁾	FY 2003 Total Assessment	FY 2004 Total Assessment
Aesthetics Zone 1	\$ 457.25	\$ 475.31 ⁽³⁾
Aesthetics Zone 2	\$ 228.62	\$ 237.65 ⁽³⁾
Flood Control	\$ 4,429.25	\$ 4,604.21 ⁽³⁾

⁽¹⁾ The Personnel Expense includes 0.15 Senior Planner and 0.50 Grounds Maintenance Manager.

⁽²⁾ There are a total of 93.69 Aesthetic Equivalent Benefit Areas (EBAs) in Zone 1; 183.06 Aesthetic EBAs in Zone 2; and 19.12 Flood EBAs in the District.

⁽³⁾ The increase is based on the San Diego Urban Consumer Price Index (SDCPI-U) of 3.95%.

EXHIBIT C

Due to the size of the Assessment Roll (Exhibit C), only limited copies are available. Please contact the City of San Diego, Park & Recreation Department, Open Space Division, Maintenance Assessment Districts Program at (619) 685-1350 to review the Assessment Roll.